



## FACT SHEET FOR HOMEOWNERS

Involved With a Potential Acquisition (Buyout) Project  
Through the Tennessee Emergency Management Agency  
and Federal Emergency Management Agency

Date of Meeting: September 22<sup>nd</sup>  
Time: 6:00 p.m.

Community Contact: Tom Marsh  
Building & Neighborhood Services Dept.  
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615-794-7012

### Roles of Local Government

- Apply on behalf of homeowners wishing to sell their property
- Coordinate with participating homeowners who will benefit from the grant
- Develop the application
- Oversee distribution of grant funds to sub recipients or contractors
- Manage implementation of the project (if approved)
- Maintain records of the project as required by law

### Voluntary Nature of Program

All participation in a FEMA funded acquisition project must be voluntary on the part of the property owner. Communities must be able to provide signed statements from homeowners stating no coercion or force was used in the property owner's decision to sell. The *Statement of Voluntary Participation* is mandatory yet often causes homeowners to become uneasy. The most common reason is that homeowners feel this legally binds them to sell their property. This is not true. Owners of property involved in an acquisition project may "opt out" at any time before signing the closing statement.

### Duplication of Benefits

Duplication of Benefits (DOB) is an issue to property acquisition projects because property owners receive pre-event value for damaged properties. It is possible that other forms of assistance might pay for the same eligible activities that FEMA's mitigation programs do. Recipients should not receive money from more than one source for the same activity, nor for an activity that could be provided through another source. DOB would result if a homeowner had flood insurance and placed a claim against the structure for damage incurred from flooding, but did not put the funds back into the structure. Because the Fair Market Value (FMV) is determined at a PRE-flood value, DOB is mandatory to eliminate duplication of federal funds. DOB is usually determined before the closing of each property involved in a buyout. In fact, before each property is acquired, each homeowner will have to sign a DOB form listing any and all benefits that are considered duplication.

### Fair Market Value

One of the benefits to a buyout of this nature is the Fair Market Value (FMV) for each property. Because the project is a result of repetitive flooding events, the FMV is determined at a PRE-flood value. Basically, how that works is the appraiser would have to consider what the value of each property would be if it were not located in a special flood hazard area. In addition, damages that were incurred from flooding events would not detract from the property's value. Each appraisal must be completed by the same legal appraisal service for fairness and equality.

### History of Damages

Because the funds requested for your community's acquisition project are federal funds, FEMA must be able to justify the cost of all projects to Congress. With this in mind, the question that must be addressed is this "Is the cost of doing the project less than what the cost would be if the project were not done?" How this is determined is by basing future damage costs against past damage costs. FEMA calls this a Benefit Cost Analysis.

Your community’s point-of-contact will ask property owners for any costs associated with flooding. This will include both direct and indirect costs. The questions each property owner should start addressing are; the date of each event, description of damages, structural and content damage to house/business, time missed from work, depth of flooding in structure, cost incurred due to displacement, etc. It is imperative that each property owner list all these damages as thoroughly as possible to insure the Benefit Cost Analysis will be met and the property can be further considered.

**Timeline**

To better understand the length of time acquisition projects require before a property owner may expect their property to be sold, the following timeline is provided to better understand the process of receiving the funds being requested. State and FEMA review consist of many areas such as the Benefit Cost Analysis mentioned above. The area which requires the most attention is environmental considerations. This is where the project must be reviewed to ensure compliance with regulations managed by the Department of Environment and Conservation, Wildlife Agencies, State Historic Preservation Office, and others. Please understand that each project will have its own timeline. The City has established a deadline date for property owners to express their interest in the project, but that is really just a starting point and the following are estimations and averages.

Deadline for Property Owner to express interest .....	25 October
Local review and determination period .....	2-3 months
FEMA determination of funds available .....	Anticipate end of December
Anticipated deadline for application to TEMA .....	2-3 months after funding announced
State Council Review .....	2-3 Months
FEMA Review.....	6-12 Months
State Contract Process .....	4-6 Months (after grant awarded by FEMA)
Project begins to property closure .....	Determined by local government

**Uniform Relocation Assistance**

Because acquisition projects funded through FEMA requires voluntary participation, property owners are not eligible for relocation assistance. However, tenants of the properties being acquired would be eligible.

**If I choose to participate and my property is selected, what documents will be required?**

Property Owners should gather the following documents:

- Deed
- Materials related to assistance pending or received (*for Duplication of Benefits determination*)
- Receipts for any repairs made

Tenants should bring the following, if available:

- Receipts for moving and associated expenses (*if incurred*)
- Rental agreement, lease, receipts, or other proofs of monthly rental expenses
- Documentation supporting utilities expenses (*utility bills, statement from landlord, statement from utility company, etc.*)
- Verification of income